

**Opening Statement**  
**Subcommittee Chairman Peter T. King**  
**Committee on Financial Services**  
**Subcommittee on Domestic Monetary Policy,**  
**Technology and Economic Growth**  
**June 28, 2001**

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The Committee will come to order.

Today the Subcommittee on Domestic Monetary Policy, Technology, and Economic Growth begins its first hearing on the use and application of technology in financial services. Innovations in the electronic world clearly have had a profound impact on the way consumers interact with financial professionals. I suspect that technology will continue to drive our marketplace in ways that we have never imagined. This subcommittee is committed to facilitating such growth and efficiencies on behalf of financial consumers and the institutions that serve them.

For the purpose of today's hearing, the subcommittee will examine the "Electronic Signatures in Global and National Commerce Act", or, more commonly, "ESIGN." This legislation gave legal recognition and effect to electronic signatures, contracts, and records. We are revisiting ESIGN in an effort to determine if its "real-world" implementation is providing the legal certainty and protection envisioned by Congress.

Specifically, Section 105(b) of the legislation directs the Department of Commerce and the Federal Trade Commission to submit a report to Congress evaluating the benefits and burdens of a particular consumer consent provision contained in the act. This consent provision speaks to the understanding a consumer demonstrates within the context of a business-to-consumer transaction. The committee looks forward to the findings and opinions of the panelists concerning this study.

At this time I would like to commend the FTC and the Department of Commerce for their combined efforts to complete the mandated study before its June 30th statutory deadline. This subcommittee appreciates your expediting the process to allow for this hearing. We look forward to your testimony.

In closing, let me just say that our examination of ESIGN today is not a referendum on consumer protections in financial services—electronic or otherwise. Congress carefully crafted this legislation last year with the intent of providing certainty, uniformity, and efficiency for transactions conducted electronically. We have yet to see a wholesale embracing of ESIGN and the benefits it affords. This raises the question whether the legislation is overly restrictive to the point that consumers and businesses do not recognize a benefit? Perhaps it is too early to tell. Regardless, this is a dialogue that will begin now.

I thank the witnesses for taking time out of their busy schedules today to share their expertise on this subject. I know that ESIGN is an issue of particular interest to our Chairman, Mr. Oxley.

With that, I yield back my time and recognize the ranking member of the subcommittee, the gentle-lady from the great state of New York, Ms. Maloney.